

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

TERRAFORM LABS, PTE. LTD. and DO  
HYEONG KWON,

Defendants.

Civil Action No. 1:23-cv-01346-JSR

Hon. Jed S. Rakoff

**DECLARATION OF DOUGLAS W. HENKIN IN SUPPORT OF DEFENDANTS'  
MOTION FOR SUMMARY JUDGMENT**

Douglas W. Henkin declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney duly admitted to practice law before this Court and a partner with the law firm of Dentons U.S. LLP, counsel for Defendants Terraform Labs Pte. Ltd (“TFL”) and Defendant Kwon Do Hyeong (“Mr. Kwon”) in the above-captioned action. I make this Declaration in support of the Motion for Summary Judgment filed by TFL and Mr. Kwon. This declaration is based on my personal knowledge except as otherwise indicated.

2. Attached hereto are true and correct copies of the following documents:

Exhibit Number	Exhibit Description
01	Accounting and Corporate Regulatory Authority (ACRA) Business Profile of Terraform Labs Pte. Ltd. (201813807M), June 19, 2023
02	<i>About Terra</i> , Terra, retrieved from <a href="https://www.terra.money/about-terra">https://www.terra.money/about-terra</a>
03	<i>The Open Source Definition</i> , Open Source Initiative, retrieved from <a href="https://opensource.org/osd/">https://opensource.org/osd/</a>
04	<i>Cryptocurrency Wallet: What It Is, How It Works, Types, Security</i> , retrieved from <a href="https://www.investopedia.com/terms/b/bitcoin-wallet.asp#:~:text=A%20cryptocurrency%20wallet%20is%20a,needed%20to%20sign%20cryptocurrency%20transactions">https://www.investopedia.com/terms/b/bitcoin-wallet.asp#:~:text=A%20cryptocurrency%20wallet%20is%20a,needed%20to%20sign%20cryptocurrency%20transactions</a>
05	Evan Kereiakes et al., <i>Terra Money: Stability and Adoption</i> , April 2019

Exhibit Number	Exhibit Description
06	N. Do, <i>Terra: A price-stable and democratic money-as-protocol</i> , March 19, 2018, v0.0.8, retrieved from <a href="https://classic-docs.terra.money/docs/learn/protocol.html">https://classic-docs.terra.money/docs/learn/protocol.html</a>
07	<i>About the Terra Protocol</i> , Terra Docs, retrieved from <a href="https://classic-docs.terra.money/docs/learn/protocol.html">https://classic-docs.terra.money/docs/learn/protocol.html</a>
08	<i>What are Blockchain Protocols and How Do [T]hey Work?</i> , Medium, Dec. 21, 2018, retrieved from <a href="https://medium.com/@genesishack/draft-what-are-blockchain-protocols-and-how-do-they-work-94815be5efa7">https://medium.com/@genesishack/draft-what-are-blockchain-protocols-and-how-do-they-work-94815be5efa7</a>
09	<i>Explore the ecosystem</i> , retrieved from <a href="https://classic-docs.terra.money/docs/ecosystem/explore.html">https://classic-docs.terra.money/docs/ecosystem/explore.html</a> (last visited Oct. 27, 2023)
10	Token Sale Agreement, dated September 13, 2018, at TFL SEC A_00109732
11	D. Kwon, <i>Announcing TerraUSD (UST)— the Interchain Stablecoin</i> , Medium, September 21, 2020, retrieved from <a href="https://medium.com/terra-money/announcing-terrausd-ust-the-interchain-stablecoin-53eab0f8f0ac">https://medium.com/terra-money/announcing-terrausd-ust-the-interchain-stablecoin-53eab0f8f0ac</a>
12	The Intern, <i>Stablecoins — Defining the Terra Algorithmic Design</i> , Medium, June 9, 2021, retrieved from <a href="https://medium.com/terra-money/stablecoins-defining-the-terra-algorithmic-design-5d952fdf68d">https://medium.com/terra-money/stablecoins-defining-the-terra-algorithmic-design-5d952fdf68d</a>
13	<i>Mirror Community Update — May 2021</i> , Medium, June 1, 2021, retrieved from <a href="https://medium.com/mirror-protocol/mirror-community-update-may-2021-669e30e180ca">https://medium.com/mirror-protocol/mirror-community-update-may-2021-669e30e180ca</a>
14	S. Kim, <i>January 2021 Community Update</i> , Medium, February 4, 2021, retrieved from <a href="https://medium.com/terra-money/january-2021-community-update-26901fc1d509">https://medium.com/terra-money/january-2021-community-update-26901fc1d509</a>
15	<i>Mirror Protocol, Mirror User Guide</i> , Medium, December 3, 2020, retrieved from <a href="https://medium.com/mirror-protocol/mirror-user-guide-fb1cc4a28258">https://medium.com/mirror-protocol/mirror-user-guide-fb1cc4a28258</a>
16	Terra, <i>Countdown to Terra Mainnet Launch</i> , Medium, April 16, 2019, retrieved from <a href="https://medium.com/terra-money/countdown-to-terra-mainnet-launch-f8c0b998c12a">https://medium.com/terra-money/countdown-to-terra-mainnet-launch-f8c0b998c12a</a>
17	Email from <a href="mailto:abhi@nucleus.vision.com">abhi@nucleus.vision.com</a> to D. Shin, dated October, 19, 2018, at TFL SEC 00203501
18	Email from <a href="mailto:abhi@nucleus.vision.com">abhi@nucleus.vision.com</a> to D. Shin, dated November 11, 2018, at TFL SEC 00265201
19	Terra, Private Sales Terms, 2018, at TFL SEC 00283830
21	<i>Validators FAQ</i> , Terra Docs, retrieved from <a href="#">Validator FAQ — Terra Classic Docs documentation</a>
22	<i>Terra FAQs</i> , at TFL SEC 00269715
23	N. Platias, et al., <i>Anchor: Gold Standard for Passive Income on the Blockchain</i> , May 2020, at TFL SEC 00280351
24	Excerpts of the transcript of the deposition of J.H., dated October 6, 2023
25	The Intern, <i>Terra Goes Live on Wormhole V2</i> , Medium, August 9, 2021, retrieved from <a href="https://medium.com/terra-money/terra-goes-live-on-wormhole-v2-12df49d446d2">https://medium.com/terra-money/terra-goes-live-on-wormhole-v2-12df49d446d2</a>

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26	<i>Mirror: Reflecting Asset Value On-Chain</i> (“ <i>Mirror Whitepaper V1</i> ”), retrieved from <a href="https://api-new.whitepaper.io/documents/pdf?id=S1UukOJru#:~:text=Mirror%20is%20a%20protocol%20that,traditional%20equities%20to%20real%20estate.&amp;text=Mirror%20unleashes%20the%20full%20power,3.1">https://api-new.whitepaper.io/documents/pdf?id=S1UukOJru#:~:text=Mirror%20is%20a%20protocol%20that,traditional%20equities%20to%20real%20estate.&amp;text=Mirror%20unleashes%20the%20full%20power,3.1</a>
27	S. Liu and I. Lee, <i>Mirror Protocol V2</i> (“ <i>Mirror Whitepaper V2</i> ”), retrieved from <a href="https://730577551-files.gitbook.io/~files/v0/b/gitbook-x-prod.appspot.com/o/spaces%2F-MLRzugf7mxc4ryNhTuq%2Fuploads%2F0t3znySsjF6CiLrcT0mI%2FMirror_Protocol_V2.pdf?alt=media&amp;token=b5728c7d-7f12-4f41-8ce6-8347da02b9ff">https://730577551-files.gitbook.io/~files/v0/b/gitbook-x-prod.appspot.com/o/spaces%2F-MLRzugf7mxc4ryNhTuq%2Fuploads%2F0t3znySsjF6CiLrcT0mI%2FMirror_Protocol_V2.pdf?alt=media&amp;token=b5728c7d-7f12-4f41-8ce6-8347da02b9ff</a>
28	Mirror Executive Summary, last updated November 6, 2020, at TFL SEC 00160572
29	Email from Do Kwon to Justin Lee and others dated February 22, 2021
30	SAFT (Simple Agreement for Farmed Tokens) with Arrington XRP Capital, Cayman SVP, Ltd., dated September 30, 2020, at TFL SEC 00162679
31	SAFT (Simple Agreement for Farmed Tokens) with Accomplice Blockchain Two Limited, dated September 30, 2020, at TFL SEC 00163782
32	SAFT (Simple Agreement for Farmed Tokens) with Variant Fund LP, dated October 2, 2020, at TFL SEC 00171850
33	Mirror: a synthetic asset protocol, dated September 2020, at TFL 0017068
34	MIR Token Projections, dated September 2020
35	Everstake, <i>Anchor Protocol: A Savings Protocol Offering Up To 20% APY</i> , Medium, July 19, 2021, retrieved from <a href="https://everstake.medium.com/anchor-protocol-for-beginners-how-to-get-started-5b19f54ced6d#:~:text=The%20platform%20was%20built%20by,launched%20on%20March%2017%2C%202021">https://everstake.medium.com/anchor-protocol-for-beginners-how-to-get-started-5b19f54ced6d#:~:text=The%20platform%20was%20built%20by,launched%20on%20March%2017%2C%202021</a>
36	Anchor PowerPoint Presentation, <i>Introducing Anchor</i> , August 2020, at TFL-SEC-ECACTRL00127395
37	Graph of Total UST Deposited in Anchor Protocol (5/4/21-5/6/22)
38	The Standard for Synthetic Assets: Mirror, at TFL SEC 00276103
39	Excerpts of the transcript of the deposition of Arrash “Christopher” Amani, dated September 12, 2023
40	Telegram thread, “Terra Network” (May 23, 2021)
41	Telegram thread, “Anchor Protocol” (May 23, 2021)
42	TFL_SEC_00349207-00349280 – Chat Thread
43	[USTRADINGFIRM], Governance Proposal, Agora “Terra on-chain liquidity parameters” (January 20, 2021) (“Prop 27”)
44	[USTRADINGFIRM], Agora Governance Proposal “Liquidity Parameters – 2 (May 21, 2021) (“Prop 90”)
45	Deposition of William Disomma, Exhibit 9, at [USTRADINGFIRM] SEC TERRA 0001956)

Exhibit Number	Exhibit Description
46	Excerpts of the transcript of the deposition of Matthew Cantieri, dated August 30, 2023
47	Email from CJ Han to T. Fujishima, et al. dated September 2, 2020, at TFL_SEC_00164630
48	Telegram chat record between President and D. Kwon
49	E-mail from D. Kwan to Terra Investor Relations, dated January 14, 2020, at TFL_SEC_00223637
50	Tai Mo Shan OTC Trading Agreement, dated October 4, 2020, at TFL_SEC_00219392
51	Master Loan Agreement, dated August 16, 2020
52	Loan Confirmation, dated September 8, 2020
53	E-mail from CJ Han to President, dated January 20, 2021
54	E-mail from CJ Han to President, dated March 13, 2021
55	Amended and Restated Loan Confirmation, dated April 2, 2021
56	E-mail from CJ Han to President, dated April 7, 2021
57	Second Amended and Restated Loan Confirmation, dated July 22, 2021
58	Expert Report of Terrence Hendershott, dated September 28, 2023
59	Excerpts of the transcript of the deposition of President of U.S. Trading Firm, dated August 18, 2023
60	Cover sheet for video of Signal messages between D. Kwon and President of U.S. Trading Firm, at [USTRADINGFIRM]000024348
61	Transcript of an episode of podcast <i>The Ship Show</i> dated March 1, 2022
62	Luna Foundation Guard (LFG) Officially Formed as Non-Profit Organization Dedicated to Supporting the Terra Ecosystem and Open-Source Technology, at TFL_SEC_00173683
63	Luna Foundation Guard (LFG) Raises \$1 Billion for a Bitcoin-Denominated Forex Reserve for Terra's UST Stablecoin, at TFL_SEC_00169087
64	Draft of Terraform Labs tweets concerning May 2022 Depeg, at TFL_SEC_00169657
65	Terra Money Twitter thread, May 12–16, 2022
66	Token Sales Agreement, at TFL_SEC_A_00107715
67	Luna Token Sales Agreement, dated May 17, 2021, at TTFL_SEC_A_00107811
68	Token Sales Agreement (Seed Round), dated March 1, 2019, at TFL_SEC_A_00107890
69	Excerpt of record from <i>SEC v. W.J. Howey Co.</i> , 328 U.S. 293 (1946)
70	SEC's Responses and Objections to Defendants' Requests for Admission dated October 10, 2023
71	Corrected Expert Report of Dr. Matthew J. Edman, dated September 19, 2023
72	<i>Linux Information Project Definition</i> , retrieved from <a href="https://www.linfo.org/source_code.html">https://www.linfo.org/source_code.html</a> .
73	Expert Report of Raj Unny, dated September 29, 2023

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74A	<i>Terra partners with mobile payment app CHAI to service the growing eCommerce market</i> , Medium, June 12, 2019, retrieved from <a href="https://medium.com/terra-money/terra-partners-with-mobile-payment-app-chai-29c593f0a364">https://medium.com/terra-money/terra-partners-with-mobile-payment-app-chai-29c593f0a364</a>
74B	<i>June 2019 Terra Community Update</i> , Medium, June 21, 2019, retrieved from <a href="https://medium.com/terra-money/june-2019-terra-community-update-db904635afc4">https://medium.com/terra-money/june-2019-terra-community-update-db904635afc4</a> .
75	<i>Mapping out Terra's ecosystem</i> , The Block, April 26, 2021, at TFL_SEC_00297596
76	<i>Chai Corporation: Introduction</i> slide deck at TFL_SEC_00203348
77	<i>Stablecoin Startup Terra Expands to Mongolia With Taxi Payment Service</i> , CoinDesk, December 13, 2019 (updated May 8, 2023), retrieved from ( <a href="https://www.coindesk.com/business/2019/12/13/stablecoin-startup-terra-expands-to-mongolia-with-taxi-payment-service/">https://www.coindesk.com/business/2019/12/13/stablecoin-startup-terra-expands-to-mongolia-with-taxi-payment-service/</a> )
78	Expert Report of Dr. Matthew J. Edman, dated September 7, 2023, Appendix A
79	Email from jihoonkim to chai-finance/api-server, et al, dated January 31, 2020, at TFL_SEC_00223720, with Official Korean to English Translation and Certification
80	Email from jihoonkim to chai-finance/settlement-worker, et al, dated December 4, 2019, at TFL_SEC_00223957, with Official Korean to English Translation and Certification
81	Email from wool90 to chai-finance/settlement-worker, et al, dated December 3, 2019, at TFL_SEC_00223960, with Official Korean to English Translation and Certification
82	Email from jihoonkim to chai-finance/settlement-worker, et al, dated December 2, 2019, at TFL_SEC_00223963, with Official Korean to English Translation and Certification
83	CV of Dr. Matthew J. Edman
84	Excerpts of the transcript of the deposition of Matthew J. Edman, dated September 20, 2023
85	Bank for International Settlements, February 2017, available at <a href="https://www.bis.org/cpmi/publ/d157.pdf">https://www.bis.org/cpmi/publ/d157.pdf</a>
86	Excerpts of the transcript of the deposition of Raj Unny, dated October 9, 2023
87	Tobias HunAdrian and Tommasco Mancini Griffoli, <i>The Rise of Digital Money</i> , IMF, p. 2, July 15, 2019, retrieved from <a href="https://www.imf.org/en/Publications/fintech-notes/Issues/2019/07/12/The-Rise-of-Digital-Money-47097">https://www.imf.org/en/Publications/fintech-notes/Issues/2019/07/12/The-Rise-of-Digital-Money-47097</a>
88	INTENTIONALLY LEFT BLANK
89	<i>Glossary of Terms Related to Payment, Clearing and Settlement Systems</i> , European Central Bank, ("ECB Glossary")

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90	Allison Barr Allen, <i>Payments Are Far More Complicated Than You Think</i> , Forbes, June 30, 2020, retrieved from <a href="https://www.forbes.com/sites/forbestechcouncil/2020/06/30/payments-are-far-more-complicated-than-you-think/?sh=8de7e764fc6b">https://www.forbes.com/sites/forbestechcouncil/2020/06/30/payments-are-far-more-complicated-than-you-think/?sh=8de7e764fc6b</a>
91	Jess Li, An Interview with Allison Barr Allen, Head of Global Product Operations on the Money Team at Uber, Medium, July 18, 2019, retrieved from <a href="https://medium.com/elpha-conversations/an-interview-with-allison-barr-allen-head-of-global-product-operations-on-the-money-team-at-uber-7549c014c6be">https://medium.com/elpha-conversations/an-interview-with-allison-barr-allen-head-of-global-product-operations-on-the-money-team-at-uber-7549c014c6be</a>
92	<i>Harmonised ISO 20022 Data Requirements for Enhancing Cross-border Payments</i> , Bank of Korea, October 18, 2023, retrieved from at <a href="https://www.bok.or.kr/eng/bbs/E0000634/view.do?nttId=10080032&amp;menuNo=400069">https://www.bok.or.kr/eng/bbs/E0000634/view.do?nttId=10080032&amp;menuNo=400069</a>
93	David Mills, et al., <i>Distributed ledger technology in payments, clearing, and settlement</i> , Finance and Economics Discussion Series 2016-095. Washington: Board of Governors of the Federal Reserve System, December 2016, retrieved from <a href="https://doi.org/10.17016/FEDS.2016.095">https://doi.org/10.17016/FEDS.2016.095</a>
94	Rebuttal Expert Report of Dr. Matthew J. Edman, dated October 13, 2023
95	Letter to Terraform Labs Pte. Ltd. from FINMA, dated February 22, 2023
96	Excerpt of Transcript of Oral Argument before the Hon. Jed S. Rakoff on June 15, 2023
97	February 4, 2021 Tweet from @stablekwon, STABLEKWONTWITTER0001270
98	Email from C. Xiaowei to J. Lin, et al., dated March 25, 2022, at TFL SEC 00252796
99	E-mail from CJ Han to President, dated September 6, 2020

3. On or about June 20, 2023, in a teleconference between the SEC and defendant's counsel, when asked whether the SEC had reviewed Chai source code, counsel for the SEC said in substance and part "I'd love to review Chai source code but we don't have it -- do you?" In addition, attached as Exhibit 70 is a true and correct copy of the SEC's Responses and Objections to Defendants' Requests for Admission No. 13 in which, when asked about Chai source code, the SEC confirmed it had requested such information from Chai Corporation, but had not yet received it. Henkin Decl. Ex. 70.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on October 27, 2023 in New York, New York.

/s/ Douglas W. Henkin

Douglas W. Henkin

DENTONS US LLP

1221 Avenue of the Americas

New York, NY 10020

Telephone: (212) 768-6832

Facsimile: (212) 768-6800

douglas.henkin@dentons.com